



Douglas B. Foster  
Commissioner

# TEXAS DEPARTMENT OF SAVINGS & MORTGAGE LENDING

## **83<sup>rd</sup> Legislative Session** **Mortgage - Proposed Legislation**

### **Overview:**

S.B. 1004 relates to licensing of residential mortgage originators and registration of mortgage servicers under the jurisdiction of the Department of Savings and Mortgage Lending.

### **Substantive amendments:**

- License types
  - TX Fin. Code §§156.2041, 156.2042; 156.2043; 156.2054; and 156.2045 – removes reference to individual license in order to have one license type.
  - Chapters 156 & 157 – revised to be one license type for origination. No new qualifications or requirements. If an individual is licensed and properly sponsored, can move between Chapters 156 and 157.
  - Clarified that individual sponsored by independent contractor loan processor and underwriter cannot originate under that license.
- Credit Union Subsidiary Organizations (CUSOs) – Credit Union Department asked SML to take examination authority for CUSOs. Several sections of the Finance Code would require amendment, specifically §§156.101; 180.002; and 180.251.
- TX Fin. Code §156.301 – Remove the cap for reimbursement of expenses for on-site out of state examinations.
- TX Fin. Code §157.009 – Gives the commissioner the authority to revoke the registration of a mortgage banker if the mortgage banker has been revoked in another state. Case by case – not automatic. Appeal process applies.
- TX Fin. Code §§157.0211 and 158.104 – Adds authority to participate in multistate exams as scheduled by the CFPB. Currently, the Department has authority to participate in multistate exams as scheduled by CSBS.
- TX Fin. Code §180.056 – Authorizes commissioner to add additional pre-licensing educational requirements. The Commissioner intends to add a 3 hour Texas specific requirement.
- Other items – clean-up/clarify current practices.